Momentum Enhanced Factor Portfolio Range
Momentum Enhanced Factor 4 Portfolio

Factsheet at 29 February 2020

**Target return:** CPI + 4% p.a.
**Investment horizon:** Four years
**Investments managed by:** Momentum Outcome-based Solutions (Pty) Ltd

Institutional on-balance-sheet portfolio

**Momentum outcome-based investing philosophy**

Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome-based investing is about placing your goals at the centre of our investment process.

**Investor profile and investment strategy**

This portfolio is aimed at investors who are in the consolidation phase of investing. It has a medium-term investment horizon and, therefore, the aim is to maintain exposure of between 42.5% and 60% to growth asset classes (local and global equities and property). The remaining exposure is to asset classes that should preserve the purchasing power of the capital accumulated. The portfolio consists of the full universe of asset classes, including global investments of up to 30% (excluding Africa), and alternative investments. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

**Portfolio information**

| Launch date: | July 1999 |
| Benchmark: | Composite: Local equity 28%; Local property 8%; Local bond 15%; Local ILB 20%; Local cash 10%; Global equity 11.5%; Global property 2.5%; Global bond 5% |
| Target: | Inflation plus 4% a year over four-year rolling periods |
| Reg. 28 compliant: | Yes |

<table>
<thead>
<tr>
<th>Risk of capital loss</th>
<th>Very low</th>
<th>Medium</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment term</td>
<td>Very short</td>
<td>Medium</td>
<td>Very long</td>
</tr>
</tbody>
</table>

**Portfolio managers**

Mohammed Sibda
BCom

Nina Saad
BSc, CFA

**Long-term outcomes**

Return over the investment horizon

**Portfolio** 5.29%

**Benchmark** 5.02%

**Target** 8.86%

The annualised return over the investment horizon of the portfolio.

**Short-term risk**

Risk of negative one-year return

**Portfolio** 3.80%

**Benchmark** 6.33%

**Target** 0.00%

The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

**Portfolio** -1.75%

**Benchmark** -3.71%

**Target** 4.79%

The worst one-year return with a 5% likelihood.

**Hit rate**

**Portfolio** 64.18%

The percentage of times the portfolio achieved or exceeded its target over rolling periods of the investment horizon.

**Average shortfall**

**Portfolio** -1.63%

The average shortfall of the target, over rolling periods of the investment horizon.

**Rolling returns**

Portfolio returns over one-year rolling periods since launch.

Published: 12 March 2020

Momentum Enhanced Factor 4 Portfolio
### Investment returns

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>One month</th>
<th>Three months</th>
<th>One year</th>
<th>Two years</th>
<th>Three years</th>
<th>Four years</th>
<th>Five years</th>
<th>Six years</th>
<th>Seven years</th>
<th>Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark1</td>
<td>-4.03%</td>
<td>-2.80%</td>
<td>1.05%</td>
<td>1.92%</td>
<td>4.39%</td>
<td>5.02%</td>
<td>4.70%</td>
<td>6.49%</td>
<td>6.97%</td>
<td>11.16%</td>
</tr>
<tr>
<td>Risk-adjusted ratio2</td>
<td>1.69</td>
<td>1.93</td>
<td>2.01</td>
<td>2.54</td>
<td>2.54</td>
<td>3.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>0.58%</td>
<td>1.58%</td>
<td>8.49%</td>
<td>8.25%</td>
<td>8.29%</td>
<td>8.86%</td>
<td>9.13%</td>
<td>9.02%</td>
<td>9.13%</td>
<td>9.53%</td>
</tr>
</tbody>
</table>

1 The benchmark is calculated using the strategic allocation weightings below.
2 A ratio of the actual return achieved per unit of risk taken.

### Index returns

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Index</th>
<th>One month</th>
<th>One year</th>
<th>Two years</th>
<th>Three years</th>
<th>Four years</th>
<th>Five years</th>
<th>Strategic allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local equity</td>
<td>FTSE/JSE Shareholder Weighted Capped Index</td>
<td>-9.55%</td>
<td>-9.57%</td>
<td>-7.90%</td>
<td>-1.06%</td>
<td>1.02%</td>
<td>-0.21%</td>
<td>28.00%</td>
</tr>
<tr>
<td>Local property</td>
<td>FTSE/JSE SA Listed Property Index</td>
<td>-15.69%</td>
<td>-19.09%</td>
<td>-12.42%</td>
<td>-10.36%</td>
<td>-5.45%</td>
<td>-4.76%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Local bond</td>
<td>JSE ASA All Bond Index</td>
<td>0.04%</td>
<td>0.55%</td>
<td>1.63%</td>
<td>1.27%</td>
<td>2.58%</td>
<td>3.08%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Local ILB</td>
<td>JSE ASA ILB Index</td>
<td>0.54%</td>
<td>7.26%</td>
<td>7.26%</td>
<td>7.33%</td>
<td>7.38%</td>
<td>7.22%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Local cash</td>
<td>Short-term Fixed Interest Composite Index</td>
<td>0.54%</td>
<td>15.09%</td>
<td>15.60%</td>
<td>12.83%</td>
<td>9.60%</td>
<td>11.45%</td>
<td>11.50%</td>
</tr>
<tr>
<td>Global equity</td>
<td>FTSE EPRA/NAREIT Developed Index</td>
<td>-3.70%</td>
<td>15.18%</td>
<td>24.47%</td>
<td>11.72%</td>
<td>6.47%</td>
<td>10.40%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Global property</td>
<td>FTSE EPRA/NAREIT Developed Index</td>
<td>-3.90%</td>
<td>15.18%</td>
<td>24.47%</td>
<td>11.72%</td>
<td>6.47%</td>
<td>10.40%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Global bond</td>
<td>FTSE World Government Bond Index</td>
<td>5.25%</td>
<td>19.12%</td>
<td>18.55%</td>
<td>10.66%</td>
<td>2.68%</td>
<td>8.90%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

### Investment manager allocation and returns

<table>
<thead>
<tr>
<th>Investment manager</th>
<th>One year</th>
<th>Three years</th>
<th>Seven years</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlueAlpha</td>
<td>-10.33%</td>
<td>1.27%</td>
<td>6.39%</td>
</tr>
<tr>
<td>Fairtree</td>
<td>0.39%</td>
<td>6.39%</td>
<td>11.63%</td>
</tr>
<tr>
<td>Foord</td>
<td>-8.78%</td>
<td>-4.56%</td>
<td>4.52%</td>
</tr>
<tr>
<td>Momentum Capped SWIX Index</td>
<td>-9.81%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Quality Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Value Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perpetua</td>
<td>-12.93%</td>
<td>-4.83%</td>
<td></td>
</tr>
<tr>
<td>Prudential</td>
<td>-12.06%</td>
<td>1.18%</td>
<td>7.49%</td>
</tr>
<tr>
<td>Sanlam Investment Management</td>
<td>-2.84%</td>
<td>3.97%</td>
<td>10.26%</td>
</tr>
<tr>
<td>Truffle</td>
<td>0.43%</td>
<td>5.16%</td>
<td>9.69%</td>
</tr>
<tr>
<td>Catalyst</td>
<td>-19.05%</td>
<td>-8.35%</td>
<td>4.43%</td>
</tr>
<tr>
<td>Eris</td>
<td>11.27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meago</td>
<td>-19.17%</td>
<td>-9.71%</td>
<td>3.16%</td>
</tr>
<tr>
<td>Momentum Investments</td>
<td>-18.70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absa</td>
<td>5.90%</td>
<td>8.07%</td>
<td>8.08%</td>
</tr>
<tr>
<td>Prescient</td>
<td>3.38%</td>
<td>5.94%</td>
<td>6.76%</td>
</tr>
<tr>
<td>Prudential</td>
<td>-4.77%</td>
<td>2.10%</td>
<td></td>
</tr>
<tr>
<td>Sentio</td>
<td>-1.25%</td>
<td>1.06%</td>
<td></td>
</tr>
<tr>
<td>Talataum</td>
<td>-1.78%</td>
<td>2.50%</td>
<td></td>
</tr>
<tr>
<td>Local fixed income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALUWANI (ILB)</td>
<td>2.24%</td>
<td>1.95%</td>
<td>4.23%</td>
</tr>
<tr>
<td>Futuregrowth</td>
<td>12.01%</td>
<td>11.23%</td>
<td>9.45%</td>
</tr>
<tr>
<td>Momentum Alternative Inv ILB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Flexible Bond</td>
<td>4.68%</td>
<td>8.43%</td>
<td>8.85%</td>
</tr>
<tr>
<td>Momentum ILB</td>
<td>2.72%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Special Opportunities</td>
<td>10.58%</td>
<td>8.83%</td>
<td></td>
</tr>
<tr>
<td>Local cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALUWANI</td>
<td>8.75%</td>
<td>9.03%</td>
<td>8.12%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>8.01%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Enhanced Yield</td>
<td>8.68%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local alternative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coherent (Commodity)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Alternative Inv (private equity BB)</td>
<td>4.17%</td>
<td>2.10%</td>
<td>2.49%</td>
</tr>
<tr>
<td>Momentum Alternative Inv Aggressive FoF</td>
<td>-1.50%</td>
<td>1.47%</td>
<td>5.38%</td>
</tr>
<tr>
<td>Momentum Alternative Inv Moderate FoF</td>
<td>14.76%</td>
<td>8.62%</td>
<td>7.99%</td>
</tr>
<tr>
<td>Momentum Portable Alpha FoHF</td>
<td>-1.23%</td>
<td>4.55%</td>
<td></td>
</tr>
<tr>
<td>Global equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Global Investment Management</td>
<td>11.14%</td>
<td>12.98%</td>
<td>16.51%</td>
</tr>
<tr>
<td>Global property</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Momentum Global Property</td>
<td>14.52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global bond</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amundi</td>
<td>18.08%</td>
<td>10.19%</td>
<td>9.81%</td>
</tr>
</tbody>
</table>

Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).
Quarterly portfolio commentary for Q4 2019

Global equity markets rallied on the US-China trade deal and posted solid returns in the fourth quarter of 2019.

The JSE along with most Emerging markets benefitted from the improved risk sentiment and erased the losses experienced during the third quarter.

The Rand strengthened during December despite poor local economic news.

The portfolio returned 1.63% for the three months, which outperformed the benchmark of 1.23%.

The tactical overweight position in local equity and underweight position in local property contributed to the relative performance of the portfolio.

The overweight positions in local bonds and underweight position in Inflation-linked bonds was a further source of alpha during this period.

Notes

The benchmark for the local equity component was changed on 1 November 2017 from the FTSE/JSE Shareholder Weighted Index to the FTSE/JSE Shareholder Weighted Capped Index.

Changes were made to the strategic asset allocations on 30 May 2014 and the benchmark returns were changed from 1 June 2014.

The inception date of the combined, local and global portfolios is 1 July 2011 and portfolio and benchmark returns for the Momentum Investments Enhanced Factor 4 Portfolios have been used since then. Portfolio and benchmark returns for Momentum High Interest Portfolio have been used from July 1999.

Disclosures

The investment policy is underwritten by Momentum Metropolitan Life Limited, which is a registered insurer under the Long-Term Insurance Act 52 of 1998. This investment portfolio is administered and managed by Momentum Outcome-based Solutions (Pty) Ltd, an authorised financial services provider (FSP No. 19840) under the Financial Advisory and Intermediary Services Act No.37 of 2002 (FAIS Act), as may be amended and/or replaced from time to time, and a part of Momentum Metropolitan Holdings Limited, rated BBBEE level 1.

The information used to prepare this factsheet includes information from third-party sources and is for information purposes only. This factsheet does not constitute any form of advice and should not be used as a basis to make investment decisions or as an offer or a solicitation to purchase any specific product. Given that past returns may not be indicative of future returns and the value of investments will fluctuate over time, independent professional advice should always be sought before making an investment decision. Fluctuations in exchange rates may cause the value of international investments, if included in the mandate, to go up or down. Investors should be aware that investing in a financial product entails a level of risk that depends on the nature of the investment. The merits of any investment should be considered together with the investor’s specific risk profile and investment objectives. Although reasonable steps have been taken to ensure the validity and accuracy of the information provided in this factsheet, Momentum Metropolitan Life Limited does not guarantee the accuracy, content, completeness, legality or reliability of the information contained in this factsheet and no warranties and/or representations of any kind, expressed or implied, are given to the nature, standard, accuracy or otherwise of the information provided nor to the suitability or otherwise of the information to your particular circumstances.

Under no circumstances shall Momentum Metropolitan Life Limited, its affiliates, directors, officers, employees, representatives or agents (the "Momentum Metropolitan Parties") have any liability to any persons or entities receiving the information made available in this factsheet for any claim, damages, loss or expense, whether caused by Momentum Metropolitan Life Limited or the Momentum Metropolitan Parties’ negligence or otherwise, including, without limitation, any direct, indirect, special, incidental, punitive or consequential cost, loss or damages, whether in contract or in delict, arising out of or in connection with information made available in this factsheet, whether relating to any actions, transactions, omissions resulting from this information, or relating to any legal proceedings brought against you as a result of this information, and you agree to indemnify Momentum Metropolitan Life Limited and the Momentum Metropolitan Parties accordingly.

Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, except where a portfolio includes underlying investments where fees are deducted from the return, but after the deduction of performance-based fees. All returns are daily time-weighted returns. The return for the global component of a portfolio is generated at month-end using the global component’s last known price. The return for Consumer Price Index (CPI) is to the end of the previous month.

The information contained in this factsheet is confidential, privileged and only for the use and benefit of the intended recipient and may not be used, published or redistributed without the prior written consent of Momentum Metropolitan Life Limited. Under no circumstances will Momentum Metropolitan Life Limited be liable for any cost, loss or damages arising out of the unauthorised dissemination of this factsheet or the information contained herein, and you agree to indemnify Momentum Metropolitan Life Limited and the Momentum Metropolitan Parties accordingly.

Contact and other information

Momentum FundsAtWork
269 West Avenue, Centurion, 0157
PO Box 7400, Centurion, 0046
T +27 (0)86 065 7585
F +27 (0)12 675 3970
Email FAWInvestmentQueries@momentum.co.za
Web www.momentum.co.za/FundsAtWork

Published: 12 March 2020
Institutional on-balance-sheet portfolio